

KITSAP COUNTY CONSOLIDATED HOUSING AUTHORITY
Kitsap County, Washington
July 1, 1991 Through June 30, 1992

Schedule Of Findings

1. Receipts Should Be Deposited Intact And Claims Certified

Kitsap County Consolidated Housing Authority (KCCHA) entered into a management agreement with Coy and Associates, a privately owned management firm, to manage apartment complexes owned by KCCHA. Part of the agreement was that the management firm collect all moneys owed by tenants to KCCHA, and deposit the money into Coy and Associate's bank account. Coy and Associates paid the expenses of the apartment complex and sent KCCHA the remaining funds.

Article XI, Section 15, of the Washington State Constitution states:

All moneys, assessments and taxes belonging to or collected for the use of any county, city, town or other public or municipal corporation, coming into the hands of any officer thereof, shall immediately be deposited with the treasurer, or other legal depository to the credit of such city, town, or other corporation respectively, for the benefit of the funds to which they belong.

RCW 42.24.080 states in part:

All claims presented against any county, city, district or other municipal corporation or political subdivision by persons furnishing materials, rendering services or performing labor, or for any other contractual purpose, shall be audited, before payment, by an auditing officer elected or appointed pursuant to statute or, in the absence of statute, an appropriate charter provision, ordinance or resolution of the municipal corporation or political subdivision. Such claims shall be prepared for audit and payment on a form and in the manner prescribed by the division of municipal corporations in the state auditor's office. The form shall provide for the authentication and certification by such auditing officer that the materials have been furnished, the services rendered or the labor performed as described, and that the claim is a just, due and unpaid obligation against the municipal corporation or political subdivision; and no claim shall be paid without such authentication and certification (Emphasis added.)

The management agreement did not meet the requirements shown above in that:

- a. Tenants receipts were not deposited intact into a KCCHA bank account.
- b. The auditing and certification of claims was not done.

KCCHA management thought it was exempt from these requirements.

We recommend all public money received on behalf of the housing authority be deposited intact into the Kitsap County Consolidated Housing Authority's account, and the housing authority audit and certify all claims before payment.